

Board Agenda Item #	III D- Action Item
Date:	7-18-2019
To:	Magnolia Board of Directors
From:	Alfredo Rubalcava, CEO & Superintendent
Staff Lead:	Nanie Montijo, Chief Finance Officer and Karl Yoder, DMS
RE:	Temporary Intra-Organizational Loan for MSA – San Diego

Proposed Board Recommendation

Staff moves that the board authorize a temporary intra-organizational loan not to exceed \$300,000 (or less, as needed) to meet the cash requirement for MSA-San Diego (MSA-SD) to fund payroll and other operating expenses.

Background

The State Controller’s Office calculates apportionments from July through January of every fiscal year based on prior year’s P-2 attendance report. The state apportionment is adjusted in February based on the P-1 attendance report submitted every December of the current fiscal year.

Temporary loan is needed due to the following:

- MSA San Diego’s state apportionments from July 2019 through January 2020 is based on the prior year’s ADA of 386.
- Expenses from July 2019 will increase proportionately with the projected increase in enrollment (approximately 60 ADA).
- MSA San Diego will need additional cash infusion to sustain operating expenses until apportionment is adjusted in February 2020
- There have been some timing delays from transfer of State funding to San Diego County office.

Budget Implications

The board approved budget for MSA SD is not impacted by this loan. The impact on monthly cash flow is shown on the attached schedule, with the loan draw and repayment highlighted.

The proposed repayment schedule shows the full payment of the temporary loan before end of current fiscal year 2019-20.

How Does This Action Relate/Affect/Benefit All MSAs?

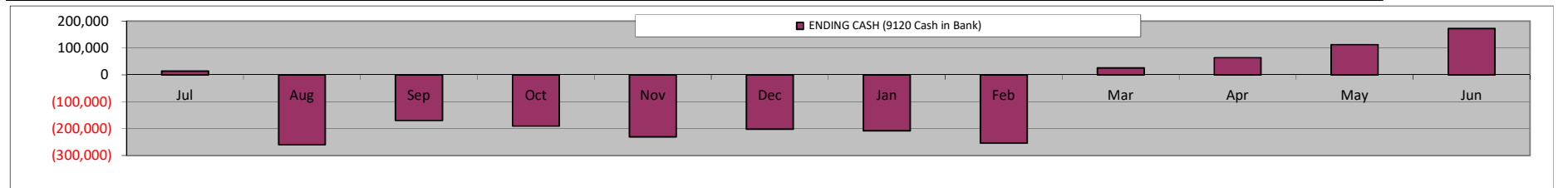
Temporary loan from MSA 8 with excess cash balance to MERF.
MSA San Diego= will receive temporary loan from MERF.

Name of Staff Originator: Nanie Montijo, CFO and Karl Yoder, DMS

Attachments: MSA San Diego Cash Flow Projection and Repayment schedule; MSA 8 Cash Flow Proj.

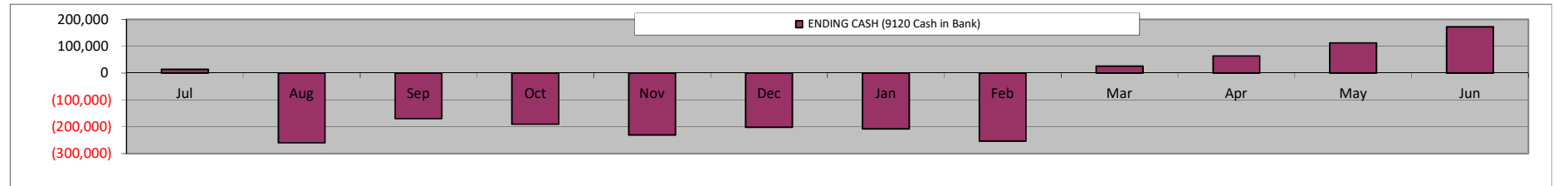
2019-20 Monthly Cash Flow (BEFORE INTRA-ORGANIZATION LOAN)

MSA-SD	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Accruals	TOTAL
	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	
BEGINNING CASH (9120 Cash in Bank)	139,491	13,637	(260,208)	(169,918)	(190,570)	(230,740)	(202,632)	(208,044)	(253,590)	25,302	63,453	112,120	171,666	
Revenue														
LCFF Entitlement	41,684	177,272	346,208	275,334	255,816	255,816	275,334	273,899	571,705	357,596	332,409	332,409	264,482	3,759,963
Federal Revenue	-	-	11,069	-	-	17,108	10,651	10,651	10,651	10,651	10,651	10,651	17,613	109,696
Other State Revenues	22,960	22,960	67,960	41,327	41,327	87,910	41,327	2,629	29,261	2,629	38,331	49,211	(35,702)	412,129
Other Local Revenues	8,115	8,115	8,115	8,115	8,115	8,115	8,115	8,115	8,115	8,115	8,115	8,115	-	97,381
Total Revenue	72,759	208,347	433,351	324,777	305,258	368,948	335,428	295,294	619,732	378,991	389,506	400,387	246,393	4,379,170
Expenses														
Certificated Salaries	121,198	121,198	121,198	121,198	121,198	121,198	121,198	121,198	121,198	121,198	121,198	121,198	60,599	1,514,978
Classified Salaries	28,931	28,931	28,931	28,931	28,931	28,931	28,931	28,931	28,931	28,931	28,931	28,931	14,466	361,638
Benefits	55,695	55,695	55,695	55,695	55,695	55,695	55,695	55,695	55,695	55,695	55,695	55,695	27,848	696,191
Books and Supplies	6,526	49,382	6,526	6,526	6,526	1,938	1,938	1,938	1,938	1,938	1,938	1,938	(7,476)	81,577
Services and Operations	129,110	129,110	129,110	129,110	129,110	129,110	129,110	129,110	129,110	129,110	129,110	129,110	64,555	1,613,880
Depreciation / Cap Outlay	5,360	5,360	5,360	5,360	5,360	5,360	5,360	5,360	5,360	5,360	5,360	5,360	2,680	67,000
Other Outflows	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	346,821	389,677	346,821	346,821	346,821	342,233	342,233	342,233	342,233	342,233	342,233	342,233	162,672	4,335,264
Other Transactions Affecting Cash														
Revenues - Prior Year Accruals	72,428	39,282	52,194											163,904
Accounts Receivable - Current Year														-
Other Assets														-
Fixed Assets														-
Due To (From)	(3,594)	(3,594)	(3,594)	(3,594)	(3,594)	(3,594)	(3,594)	(3,594)	(3,594)	(3,594)	(3,594)	(3,594)		(43,128)
Expenses - Prior Year Accruals	(1,550)	(48,273)												(49,823)
Accounts Payable - Current Year	75,938	(84,918)	(49,827)											(58,807)
Summer Holdback for Teachers	4,987	4,987	4,987	4,987	4,987	4,987	4,987	4,987	4,987	4,987	4,987	4,987		59,844
Loans (Current)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans (Long Term)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Transactions	148,209	(92,516)	3,760	1,393	1,393	1,393	1,393	1,393	1,393	1,393	1,393	1,393	1,393	71,990
Total Change in Cash	(125,854)	(273,846)	90,290	(20,652)	(40,170)	28,108	(5,412)	(45,546)	278,892	38,151	48,666	59,547		115,896
ENDING CASH (9120 Cash in Bank)	13,637	(260,208)	(169,918)	(190,570)	(230,740)	(202,632)	(208,044)	(253,590)	25,302	63,453	112,120	171,666		<<< = 14 days cash



2019-20 Monthly Cash Flow (AFTER INTRA-ORGANIZATION LOAN)

MSA-SD	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Accruals	TOTAL
	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	
BEGINNING CASH (9120 Cash in Bank)	139,491	13,637	39,792	130,082	109,430	69,260	97,368	91,956	46,410	25,302	63,453	112,120	171,666	
Revenue														
LCFF Entitlement	41,684	177,272	346,208	275,334	255,816	255,816	275,334	273,899	571,705	357,596	332,409	332,409	264,482	3,759,963
Federal Revenue	-	-	11,069	-	-	17,108	10,651	10,651	10,651	10,651	10,651	10,651	17,613	109,696
Other State Revenues	22,960	22,960	67,960	41,327	41,327	87,910	41,327	2,629	29,261	2,629	38,331	49,211	(35,702)	412,129
Other Local Revenues	8,115	8,115	8,115	8,115	8,115	8,115	8,115	8,115	8,115	8,115	8,115	8,115	-	97,381
Total Revenue	72,759	208,347	433,351	324,777	305,258	368,948	335,428	295,294	619,732	378,991	389,506	400,387	246,393	4,379,170
Expenses														
Certificated Salaries	121,198	121,198	121,198	121,198	121,198	121,198	121,198	121,198	121,198	121,198	121,198	121,198	60,599	1,514,978
Classified Salaries	28,931	28,931	28,931	28,931	28,931	28,931	28,931	28,931	28,931	28,931	28,931	28,931	14,466	361,638
Benefits	55,695	55,695	55,695	55,695	55,695	55,695	55,695	55,695	55,695	55,695	55,695	55,695	27,848	696,191
Books and Supplies	6,526	49,382	6,526	6,526	6,526	1,938	1,938	1,938	1,938	1,938	1,938	1,938	(7,476)	81,577
Services and Operations	129,110	129,110	129,110	129,110	129,110	129,110	129,110	129,110	129,110	129,110	129,110	129,110	64,555	1,613,880
Depreciation / Cap Outlay	5,360	5,360	5,360	5,360	5,360	5,360	5,360	5,360	5,360	5,360	5,360	5,360	2,680	67,000
Other Outflows	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	346,821	389,677	346,821	346,821	346,821	342,233	342,233	342,233	342,233	342,233	342,233	342,233	162,672	4,335,264
Other Transactions Affecting Cash														
Revenues - Prior Year Accruals	72,428	39,282	52,194	-	-	-	-	-	-	-	-	-	-	163,904
Accounts Receivable - Current Year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Due To (From)	(3,594)	(3,594)	(3,594)	(3,594)	(3,594)	(3,594)	(3,594)	(3,594)	(3,594)	(3,594)	(3,594)	(3,594)	-	(43,128)
Expenses - Prior Year Accruals	(1,550)	(48,273)	-	-	-	-	-	-	-	-	-	-	-	(49,823)
Accounts Payable - Current Year	75,938	(84,918)	(49,827)	-	-	-	-	-	-	-	-	-	-	(58,807)
Summer Holdback for Teachers	4,987	4,987	4,987	4,987	4,987	4,987	4,987	4,987	4,987	4,987	4,987	4,987	-	59,844
Loans (Current)	-	300,000	-	-	-	-	-	-	(300,000)	-	-	-	-	-
Loans (Long Term)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Transactions	148,209	207,484	3,760	1,393	1,393	1,393	1,393	1,393	(298,607)	1,393	1,393	1,393	-	71,990
Total Change in Cash	(125,854)	26,154	90,290	(20,652)	(40,170)	28,108	(5,412)	(45,546)	(21,108)	38,151	48,666	59,547	-	115,896
ENDING CASH (9120 Cash in Bank)	13,637	39,792	130,082	109,430	69,260	97,368	91,956	46,410	25,302	63,453	112,120	171,666		<<< = 14 days cash



2019-20 Budget - Monthly Cash Flow (Actuals + Projections)

MSA-8	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Accruals	TOTAL
	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	
BEGINNING CASH	2,410,838	2,148,965	1,972,063	2,069,515	2,208,615	2,190,703	2,258,223	2,427,732	2,476,927	2,610,630	2,847,327	2,883,078	2,945,785	
Revenue														
LCFF Entitlement	148,547	214,766	399,822	512,688	355,677	355,677	512,688	402,919	464,323	590,422	389,475	389,475	275,794	5,012,273
Federal Revenue	-	-	48,115	-	-	58,477	30,410	30,410	30,410	30,410	30,410	30,410	44,781	333,831
Other State Revenues	22,599	22,599	63,783	40,679	40,679	67,634	40,679	30,134	53,237	30,134	30,134	57,088	-	499,379
Other Local Revenues	417	417	417	417	417	417	417	417	417	417	417	417	-	5,000
Total Revenue	171,564	237,782	512,136	553,784	396,772	482,204	584,193	463,879	548,387	651,382	450,435	477,390	320,575	5,850,484
Expenses														
Certificated Salaries	168,638	168,638	168,638	168,638	168,638	168,638	168,638	168,638	168,638	168,638	168,638	168,638	84,319	2,107,980
Classified Salaries	43,679	43,679	43,679	43,679	43,679	43,679	43,679	43,679	43,679	43,679	43,679	43,679	21,839	545,984
Benefits	71,114	71,114	71,114	71,114	71,114	71,114	71,114	71,114	71,114	71,114	71,114	71,114	35,557	888,921
Books and Supplies	22,693	22,693	22,693	22,693	22,693	22,693	22,693	22,693	22,693	22,693	22,693	22,693	11,346	283,659
Services and Operations	150,419	150,419	150,419	150,419	150,419	150,419	150,419	150,419	150,419	150,419	150,419	150,419	75,209	1,880,235
Depreciation / Cap Outlay	6,800	6,800	6,800	6,800	6,800	6,800	6,800	6,800	6,800	6,800	6,800	6,800	3,400	85,000
Other Outflows	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	463,342	463,342	463,342	463,342	463,342	463,342	463,342	463,342	463,342	463,342	463,342	463,342	231,671	5,791,779
Other Transactions Affecting Cash														
Revenues - Prior Year Accruals	250,623													250,623
Accounts Receivable - Current Year														-
Other Assets														-
Fixed Assets														-
Due To (From)	43,587	43,587	43,587	43,587	43,587	43,587	43,587	43,587	43,587	43,587	43,587	43,587	43,587	523,047
Expenses - Prior Year Accruals	(269,375)													(269,375)
Accounts Payable - Current Year														-
Summer Holdback for Teachers	5,071	5,071	5,071	5,071	5,071	5,071	5,071	5,071	5,071	5,071	5,071	5,071	5,071	60,852
Loans Payable (Current)			-	-	-	-	-	-	-	-	-	-	-	-
Loans Payable (Long Term)			-	-	-	-	-	-	-	-	-	-	-	-
Total Other Transactions	29,906	48,658	48,658	48,658	48,658	48,658	48,658	48,658	48,658	48,658	48,658	48,658		565,147
Total Change in Cash	(261,873)	(176,902)	97,452	139,099	(17,912)	67,520	169,509	49,195	133,703	236,697	35,751	62,706		623,851

ENDING CASH 2,148,965 1,972,063 2,069,515 2,208,615 2,190,703 2,258,223 2,427,732 2,476,927 2,610,630 2,847,327 2,883,078 2,945,785 <<< = 186 days cash

